

FOR RENT FURNISHED

House on Green St.,
Two Bedrooms,
\$45 per month

House on Kewalo St.,
Three Bedrooms
\$75 per month.

**Bishop Trust
Co., Ltd.**

924 BETHEL STREET

W. C. ACHI,

ATTORNEY AT LAW
Kapiolani Building Honolulu, T. H.
P. O. Box 606

E. G. Duisenberg

STOCKS
BONDS
INSURANCE
REAL ESTATE
LOANS NEGOTIATED
76 Merchant St. Phone 3013

J. HOLMBERG

ARCHITECT.
Estimates Furnished on Buildings.
Rates Reasonable.
160 Hotel St., Oregon Bldg. Tel. 3694

DRINK

May's Old Kona Coffee

BEST IN THE MARKET

HENRY MAY & CO.
Phone 1271



Graduates Attention
Anything in basket and bouquet
work with class ribbons at reasonable
prices.

Mrs. E. M. Taylor, Florist
Hotel St. opposite Alex. Young Cafe.

New Dry Goods Store

IN SACHS BLOCK
72 Bernania Street
BAKER & HOKE, Props.

ORANGE BLOSSOM CANDIES

The Most Popular Candies Made
on the Coast
HONOLULU DRUG CO., LTD.
1024 Fort St. Telephone 1364

Chas. R. Frazier Company

YOUR ADVERTISERS
Phone 1371 123 King St.

Fire Insurance

THE
B. F. Dillingham Co.
LIMITED

General Agent for Hawaii:
Atlas Assurance Company of
London, New York Under-
writers' Agency; Providence
Washington Insurance Co.
4th Floor, Stangenwald Bldg.

1000 FEET 3/4-INCH Garden Hose

Extra Good Value—25 Ft. \$3.75
JAMES GUILD COMPANY

EVERYTHING in FURNITURE

**Honolulu
Wire Bed Co.,**
Corner Alakea and King Sts.

HAWAII COUNTY'S FINANCES SHOW ROTTENNESS IN STARTLING REPORT OF H. GOODING FIELD'S PROBE

Rufus A. Lyman, Jr., Secretary of Liquor License Commission Found with Shortage of Thousands, According to a Statement by Expert Accountant

COLLECTS MONEYS BUT FAILS TO TURN OVER

Board of Trade Shocked at the
Revelations Made in Saturday Session

Hundreds and perhaps thousands of dollars of public money that should be in the public treasury of the County of Hawaii have been diverted to private use through the manipulation of R. A. Lyman, deputy county clerk and secretary of the Hawaii Board of Liquor License Commissioners. This discovery was made by Expert H. Gooding Field and was brought to the attention of the Hilo Board of Trade, "like a bolt from the blue" at the meeting held in Hilo Saturday afternoon. The Board of Trade postponed action on the report until Tuesday afternoon. The Deputy County Attorney of Hawaii says that he supposes Lyman will have to be arrested.

H. Gooding Field, the expert on municipal affairs, gave the Hilo Board of Trade a genuine surprise and sensation on Saturday afternoon when he presented his final report on the status of the administration of the County of Hawaii.

Rufus A. Lyman, deputy county clerk, who is also secretary to the Hawaii Liquor License Commission and generally rated as being the head and front of the "County Ring," is charged with receiving money from those granted licenses by the Board of License Commissioners, and presumably using these funds for his own purposes.

The details of how the discrepancy was discovered are told in the supplementary report of Mr. Field, which is published in full. License Commissioner Horner stated a few hours after the meeting that the funds for which Lyman has not given a proper accounting appear to total in the neighborhood of \$6,300.

Now the question comes whether Mr. Field has struck a lead that will carry the authorities to other sensations as well as throw more light on where the taxpayers' money has been going in the County of Hawaii.

During the meeting of the Board of Trade, Deputy County Attorney Heen made a few remarks indicating that there was some excuse for Mr. Lyman's shortcomings, but after the meeting he said to a Star-Bulletin man: "I suppose we shall have to have him arrested."

Field's supplementary report came as a bolt from a clear sky and thoroughly waked up an assembly of business men who were almost asleep from listening to the reading of a long though interesting report, on a hot Saturday afternoon.

There has been a growing feeling in Hilo that the work by Mr. Field did not amount to much. One business man said on the way to the meeting that it "looked like a waste of one thousand dollars to employ Field anyway." This man, with quite a number of others, was almost asleep when, after an hour and a half of listening to the main report of Mr. Field, D. E. Metzger, the presiding officer, asked those assembled if they wished to hear Mr. Field's supplementary report. It was decided that they "guessed they might as well," and the next fifteen minutes of information made the whole outfit sit up and take notice.

Among those especially interested were Messrs. Moir and Horner, of the Liquor License Commission, and Territorial Auditor Fisher, who were present. It seems that previous to the license fees being turned over to county control Auditor Fisher had audited the accounts of the commission. Whether Lyman "slipped one over" on the Territorial auditors does not yet appear.

The system apparently worked out by Lyman was to have the check for the license fee made out to him, he telling the licensee that the license would follow later. Mr. Moir signed the licenses and supposed that they had been turned over to those awarded the licenses by the Commission. After the meeting, Mr. Moir said: "What I intend to do is to employ someone at my own private expense to go over the whole thing. Fisher told me everything was all right, while the Territory was responsible for the funds."

Expert Field began to "smell a rat" when it became impossible for him to secure the license book showing the stubs for the liquor licenses issued. He got the cash book all right and found it O. K. by County Auditor Maguire. But Maguire's O. K. it seems, meant only that the total in the cash book tallied exactly with the total of the money that had been turned over to the County Treasurer. There had apparently been no comparison of vouchers to check up the transactions in full detail. When Field attempted to probe deeper and make a proper audit he found himself headed off in almost every direction.

The County Supervisors did not think much of Field's work and so expressed themselves in a resolution. Deputy County Clerk Lyman is a brother of Supervisor Lyman. Lyman promised to bring the li-

cence stub book, but found one excuse after another for not keeping the promise, until finally he "took sick" and could not be in hand. Field thereupon did some detective work on his own account and was assisted by Editor Kinney of the Hilo Tribune and License Inspector Fetter in a comparatively few hours after he got started. Field got what he went after, and no one in Hilo of any consequence now questions that all the money paid Field was a mighty good investment.

The claim in Hilo is, that Rufus Lyman, although holding a subordinate position in the County Clerk's office, has been a general "poor-bah" of the county. If Hilo had a boss, Lyman was it. How lax was the administration of the County of Liquor License Commission affairs is evidenced by the possibility of pulling off a proposition so raw as that which Lyman's appears to be on the surface. The check was cashed and the licensee presumably "stood off" on the delivery of his license. The wonder is that the scheme could be carried along for even a month without being found out.

The attitude of the Hawaii Board of Supervisors will be watched with no little interest. That body up to Saturday afternoon had no use for Field. The members decided that he was a false alarm. This opinion they based on some figures and conclusions he presented in his first preliminary report to the Board of Trade. At that time he gave opinions which the Supervisors claim were based on figures that were entirely erroneous. As one man put it: "Field took his figures from some penciled memoranda of Auditor Maguire when the books were available. These memoranda were just rough figures and amounted to nothing, and as the completed books were available, we decided that Field didn't know how or did not want to know."

Field's position is that he had to "throw the outfit off their guard" in order to get at the root of things and find out whether there was any foundation for some of his suspicions.

The supplementary report of Mr. Field read at the Saturday meeting follows:

Field Report on Liquor License Collections for County of Hawaii.

In my supplementary report to the Board of Trade of Hilo, dated the 26th of last July, on some of the phases of the present accounting methods of the County of Hawaii, I stated that the accounts of Rufus A. Lyman, the Secretary of the Board of License Commissioners, had not been audited by the County Auditor, from July 1st, 1911, to the date of my report, although it was known that license fees, aggregating \$19,595.00 had been collected by that official for liquor licenses during that period. Maguire's O. K.

On August 7th, 1912—some eight days after my report was read—the County Auditor informed me that he had just audited these accounts and found them O. K., and that he had so certified on the cash record of the Board of License Commissioners. Upon questioning the County Auditor as to the manner in which he conducted the audit, I found that he had entirely neglected to compare the licenses issued, as per the stubs in the License Book, with the cash receipts, but simply had checked the totals of the cash receipts, as posted, to see that they agreed with the remittances by Lyman to the County Treasurer; this procedure, for purposes of an audit, was next to useless.

On the same morning, I requested Rufus A. Lyman at his office in the county building to hand me his License Book so that I could verify the figures in his cash record; this he promised to do the following morning. Lyman's cash record book to remain in the safe of the County Auditor until that time. Lyman, however, did not come to his office that morning, and, furthermore, he had taken his cash record book away from the County Auditor's office the afternoon previously. As Lyman did not keep his promise to me to turn over the license books, I sent the Deputy County Auditor to Lyman's home for the same; Lyman handed him the cash record only, but no license book. I then requested Captain Fetter, the liquor license inspector, to get from Lyman the record of the licenses issued. I was unsuccessful also in this, as Lyman informed Fetter that the licenses had not all been paid for, and he had not the license book.

Being blocked in my investigation by Lyman, I then obtained through the courtesy of the Hilo "Tribune" a list of the licenses granted on May 28th, 1912. In this and subsequent investigation I received assistance from Editor Kinney of the "Tribune." After checking this list with the names posted by Lyman in his cash record book, I found the names of the following licenses did not appear in his record, namely:

S. Kuritani, Honoum	\$ 500.00
Santos & Serrao, Wailea, Hilo	500.00
Second Class Hotel	
Y. Nishimoto, Hilo	\$ 521.00
Manuel Branco, Laupahoehoe	125.00
Frank Vierra, Waikamalo,	
North Hilo	125.00
S. Ishikawa, Kimahu, North	
Hilo	125.00
M. Suganaka, Hualaloa, North	
Hilo	125.00
H. Kubo, Honamano, South	
Kona	125.00

Fourth Class License

J. G. Serrao, Hilo 2.50
J. De Frates, North Kona 2.50

Amounting in all to \$2,151.00

Another Call.
I then called on the third name on this list as above, and living in Hilo, Y. Nishimoto (Soper) to ascertain if he had paid his license fee to Lyman and received his license. He informed me that he had not received his license. Lyman's excuse to him for the delay in doing so being that no one else had received their license. On July 5th, 1912, Nishimoto handed his check, No. 243, to Rufus A. Lyman for \$521.00, being \$500 for his six months license fee from July 1st, 1912 to December 31st, 1912, together with \$21.00 for stamps. This check was as follows:

No. 243.
Hilo Hawaii, July 5th, 1912.
The First Bank of Hilo, Limited.
Pay to the Order of R. A. Lyman
\$521.00 Five Hundred and Twenty-one
00/100 Dollars.

Y. NISHIMOTO (Soper).

Lyman received the check from Nishimoto on the 5th of July, 1912. The same day he endorsed it and presented the check at the bank and received the cash for it. This is shown by the perforated cancellation on the check made by the bank. (Original check produced.) Lyman did not give Nishimoto a receipt for the money, claiming that the check was good enough for the purpose.

No Entry Made.
No entry has been made by Lyman in the cash record book (also produced) of the \$521 so collected, nor has this amount been turned over by him to the county treasurer.

Lyman's Explanation.

Captain Fetter, the liquor license inspector, informed me that on July 7 last he left Hilo for his periodical tour of inspection of the Island of Hawaii to see if all the licenses had been regularly renewed for the six months commencing July 1, 1912. He informed me that he had stayed on this trip at Kau, three days; Kona, five days; Waimea, one day; Kohala, three days; back to Waimea for four days, thence to Honokaa for two days, but he was unable to find any of the renewals, and he returned to Hilo to report the same to Lyman, as secretary of the Board of License Commissioners. Lyman informed Fetter in reply to his inquiries that the renewals had crossed him on his inspection trip, as he had just mailed them. Fetter now claims that all the licenses have not yet been issued.

Audit Still Needed.

It can not be ascertained, without a detailed audit, the exact condition of the liquor license fund since July 1, 1905, to date—that is, since the time the account was turned over by the Territory to the County of Hawaii: the Territorial audit was made up to June 30, 1911—notwithstanding the fact that the county auditor on August 7 last certified to the correctness of the financial transactions appearing in the record of the secretary of the Board of License Commissioners, by the so-called audit previously mentioned.

The System.

Here is one instance where Lyman received a check for \$521, in payment of a county license; has the check drawn to himself personally, which he cashes at the bank the same day. This was on July 5, 1912—more than a month ago. No license has been received by the party paying the fee, nor does the collection appear on the official record of the liquor license commissioners, by their secretary.

Lyman's Last Entry.

The last entry made by Lyman on the cash record book for receipt for license fees was July 15, 1912—ten days after he received and cashed the Nishimoto check—and the date of the posting of his last remittance to the county treasurer was July 31, 1912. So far as the other nine applicants for licenses are concerned, these people have not been communicated with to ascertain if their fees have been paid over to Lyman, or otherwise. The correctness of the entries prior to 1912 for licenses issued, and remittances to the county treasurer by Lyman, cannot be stated in this report, looking to the fact that no records have been obtainable up to this writing to enable a check to be made.

In view of the specific transaction of Nishimoto, as above, as going to show the extremely loose methods in conducting audits of county funds by the county auditor, I still maintain, as stated in my supplementary report of the 26th of July last, that it is impossible to state, without a detailed audit, whether the accounts of the County of Hawaii fully and fairly disclose the position of its affairs, or in what respect they fail to do so. Respectfully submitted,

H. GOODING FIELD, LL.B., F. A. A. (Eng.).

Fellow of the Central Association of Accountants, England; Member of the American Civic Association.

Hilo, T. H., August 10, 1912.

Mr. H. Gooding Field, Hilo, T. H.
Dear Sir:—In accordance with your request, I left Hilo on Thursday, August 9, last, to inspect the licenses renewed on July 1, 1912, for the ensuing six months from that date, returning to Hilo yesterday afternoon.

In the above connection, I beg to report the following conditions, namely:

- (1) S. Kuritani, Honoum, \$500 license fee. (Saw receipt for this amount from Lyman, dated in June, 1912. No license received to date.)
- (2) Frank Vierra, Waikamalo, \$125 license fee. (Same conditions as No. 1 above.)
- (3) E. W. Barnard, Laupahoehoe, \$500 license fee. (Same conditions as No. 1 above.)
- (4) Manuel Branco, Laupahoehoe,

(Continued on page twelve)



NEW VICTOR RECORDS

For August on Sale at Bergstrom Music Company

10-in. Double-faced Records, 75c.

- 17115 Hamlet on Friendship (Recitation); Benedick's Idea of a Wife (Recitation)..... Ben Greet
- 17107 Love the Name of Mary (Song)..... Walter Brunt
- There is Silver Now Where Once Was Gold..... American Quartet
- 17108 Adopted Child (Comic Song)..... Bob Roberts
- Beans! Beans!! Beans!!!..... Eddie Morton
- 17109 Good-Night, Beloved..... Victor Brass Quartet
- Southern Cross (Cornet Solo)..... Herbert L. Clarke
- 17110 Ben Hur Chariot Race March..... Sousa's Band
- March, Shannon..... Pryor's Band
- 17111 Mr. Dream Man, Two-Step Medley; The Grizzly-Turkey Trot (Song)..... Pryor's Band
- 17112 The Subway Glide (Song)..... Walter Brunt
- The Deedle Dum Dee (Comic Song)..... Ada Jones
- 17113 That Aeroplane Glide..... Peerless Quartet
- That Sneaky Snakey Rag (Comic Duet)..... Collins and Harlan
- 17114 I'm the Guy (Comic Song)..... Billy Murray
- You're My Baby..... Am. Quartet
- 17116 Sweetheart Sue (Duet)..... Campbell and Burr
- You'll Never Know the Good Fellow I've Been..... W. van Brunt

17117 Drifting (Duet)..... Miss Baker and Wheeler

- Roses, Roses Everywhere..... Hindermeyer
- 17118 Down at Mammy Jinny's..... That Girl Quartet
- When Uncle Joe Plays a Rag on His Old Banjo..... Arthur Collins
- 17119 Lucia Sextet Burlesque..... Murray and Quartet
- That Lovin' Araumerel..... Al. Jolson
- 17120 Omena Intermezzo (Banjo Solo)..... Fred Van Eps
- William Tell Fantasia (Xylophone)..... Reitz
- 17121 I Love You Truly (Song); Voices of the Woods (Song)..... Elsie Baker
- 17122 Roses Bloom for Lovers (Song); Marguerite Dunlap I'll Love You Forevermore (Song)..... John Young

10-inch Records, 60 cents.

- 5870 Autumn Flower (Cello Solo)..... Popper

12-inch Double-faced, \$1.25

- 35230 A Dream of Wagner..... Reminiscences of Verdi..... Sousa's Band

12-in. Single-faced, \$1.00

- 32865 Songs of Ireland..... Victor Mixed Chorus

Purple Label, 12-in., \$1.25

- 70074 Scherzo Capriccio (Flute Solo)..... Leonard
- 70075 Naughty Marietta Intermezzo (Orchestra)..... Horner

New Red Seal Records

- 74276 Gotterdammerung—Here I Was Bass Solo by Journet. Price \$1.25
- 85380—Stabat Mater (Who Would You Pity). Vocal Duet by Al. Gluck and Louise Homer. Price \$1.25
- 84256 Eileen Aroon. Price \$1.25
- 84259 The Hark That Once Tara's Halls. Price \$1.25
- 87103 Carmen (Near the Walls of the Village), by Margaret Matamoros. Price \$1.25
- 76024 La Traviata (Wild My Dream Youth), by Herman Jadow. Price \$1.25
- 76023 La Boheme (Rudolph's Narrative), by Herman Jadow. Price \$1.25
- 83852 Lovely Blossoms of Spring, piano Solo by Gadski. Price \$1.25
- 84263 Mazurka Op. 59 No. 6, F. Minor (Piano Solo played by Pachman). Price \$1.25
- 74302 Etude Op. 10 No. 12 (Piano Solo by De Pachmann). Price \$1.25
- 74227 The Minstrel (Soprano Solo Rita Fornia). Price \$1.25
- 84264 To Spring (Op. 48 No. 6), Solo by Maud Powell. Price \$1.25

These Records are now on sale at

Bergstrom Music Co.,

1020 and 1022 Fort Street

Spreckels Tract

Punahou Street, Wilder Ave., and Dole Street

Ideal Surroundings

Beautiful Old Shade Trees

Entire Tract Plowed and Harrowed

For Particulars Apply

Spencer Bickerton,

Cunha Bldg., Office 6

78 Merchant Street

HIGH-GRADE CLOTHING FOR MEN AND BOYS

at

BARGAIN PRICES

L. B. KERR & COMPANY, Ltd.,

Pantheon Block, 84 Hotel St.